John Bel Edwards



June 24, 2019

Juana Marine-Lombard

## WARNING NOTICE CONCERNING PROHIBITION ON RETAILERS REQUIRING WHOLESALERS TO ENGAGE THIRD PARTY PROVIDERS

Electronic Data Interchange Requirement

It has come to the attention of the Office of Alcohol and Tobacco Control that a certain retailer, is implementing a new Electronic Data Interchange ("EDI") and is requiring all wholesalers to engage in business with the EDI provider in order to continue to do business with the retailer.

It is ATC's understanding that there is a significant cost to the wholesaler to engage in business with the third-party EDI provider. Since the retailer, is mandating that the wholesaler do so in order to continue to do business in their retail stores, this is a violation of Louisiana's exclusive outlet and tied house provisions in that it requires wholesalers to provide something of value (indirectly) to the retailer. (LAC 55:VII.3.317)

Wholesalers are prohibited from providing something of value, directly or indirectly, to the retailer. Therefore, wholesalers should not engage with the third-party EDI provider strictly to continue to do business with a retailer. Please report all instances where any retailer requires a wholesaler to engage with a third-party EDI provider at a cost to the wholesaler to our agency.

Should you have any questions regarding same, please do not hesitate to contact our office.

Thanking you in advance, I remain,

Juana Marine-Lombard, Commissioner

Louisiana Office of Alcohol and Tobacco Control